

Chapter 11

Revenue Outturn 2010

Revenue Outturn 2010

11.1 The net proceeds of taxes and duties collected on behalf of the Exchequer for the year was €31.75 billion (€33.11 billion in 2009).

11.2 The forecast for taxes and duties receivable by the Exchequer was €31.05 billion. Overall, tax revenues in 2010 exceeded the levels forecast by €703 million. The performance against forecast on individual taxheads is set out in Figure 49.

Figure 49 Revenue Paid to Exchequer compared to Forecast 2010

Taxhead	Forecast	Payments to Exchequer	Excess/(Shortfall)	
	€m	€m	€m	%
Income Tax	11,530	11,276	(254)	(2.2%)
Value Added Tax	10,090	10,101	11	0.1%
Excise	4,514	4,678	164	3.6%
Corporation Tax	3,160	3,924	764	24.2%
Stamp Duties	975	960	(15)	(1.5%)
Custom Duties	200	228	28	14.0%
Capital Acquisitions Tax	240	238	(2)	(0.8%)
Capital Gains Tax	340	347	7	2.1%
Total	31,049	31,752	703	2.3%

Source: Department of Finance Cumulative Profile of Expected Exchequer Tax Revenue Receipts in 2010 and Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Audit of Revenue Account

11.3 Under the Comptroller and Auditor General (Amendment) Act 1993 I am required to examine the account of revenue received and paid over to the Exchequer by the Revenue Commissioners (the Revenue Account) in order to satisfy myself as to its completeness and accuracy and to report to Dáil Éireann on the results of my examination.

11.4 I form an opinion on the completeness and accuracy of the Revenue Account on the basis of the examination and testing carried out by my Office on the various receipting, repayment and accounting systems within Revenue. I also take assurance from the systems work which is carried out on a cyclical basis on Revenue's collection mechanisms.

Audit Conclusion

The Revenue Account together with my opinion thereon is set out in Annex A to this chapter. I have given a clear report on that account.

Revenue Collection Systems

11.5 In addition to examining the Revenue Account, I carry out further examinations as I consider appropriate in order to ascertain whether systems, procedures and practices have been established that are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State and to satisfy myself that the manner in which they are being employed and applied is adequate.

11.6 On a cyclical basis, I examine Revenue's systems for the assessment and collection of tax. I report, by exception, on those general matters arising out of my systems examinations that I consider merit examination by the Committee of Public Accounts of Dáil Éireann.

Chapter Focus

The rest of this chapter examines

- the outturn on Revenue collection in 2010
- the trends in tax receipt compared with national output
- the trend in repayments by Revenue in recent years
- the trend in payment methods adopted by taxpayers.

Revenue Collection and Repayment

11.7 The gross amount collected by Revenue declined from €50.7 billion in 2009 to €47.6 billion in 2010. When amounts collected on behalf of other departments and agencies are excluded, €38.2 billion of the 2010 gross collection was attributable to the core revenue of the State (€41.3 billion in 2009). The total gross collection, the amounts attributable to other agencies and repayments for the years 2007 to 2010 are summarised in Figure 50.

Figure 50 Collection and Repayment of Revenue 2007-2010

	2007	2008	2009	2010
	€m	€m	€m	€m
Gross collection	66,148	60,061	50,744	47,559
Less receipts attributable to other Departments and Agencies				
PRSI ^a	(9,480)	(9,779)	(9,291)	(9,196)
Tobacco Levy ^b	(168)	(168)	(168)	(168)
Environmental Levy	(22)	(26)	(24)	(19)
Other	(7)	(5)	(3)	(5)
Gross taxes and duties collected	56,471	50,083	41,258	38,171
Less repayments of taxes and duties	(9,137)	(9,178)	(8,148)	(6,420)
Net Taxes and Duties Collected^c	47,334	40,905	33,110	31,751

Source: Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

- Notes:
- a PRSI comprises a social insurance contribution and the health levy. Residual amounts of the now abolished Employment and Training Levy are also included here. Net PRSI receipts were €9,110 million (€9,209 million in 2009) after taking account of repayment of €86 million (€82 million in 2009).
 - b Section 3 of the Appropriation Act 1999 (as amended) provides that each year an amount determined by the Minister for Finance shall be paid to the Health Service Executive from the proceeds of Tobacco Excise. The Minister for Finance has determined that the amount payable should be the maximum amount permissible under the Act – €167.6 million.
 - c Net taxes and levies include some €43 million collected in 2010 as part of the various special investigations being carried out by Revenue (see Chapter 16).

11.8 The gross collection, repayments and net collection for each taxhead are set out in Figure 51 together with the percentage change in net receipts in 2010.

Figure 51 Net Receipts by Taxhead

Taxhead	2010			2009	Percentage Change 2010 ^a
	Gross Receipts	Repayments	Net Receipts	Net Receipts	
	€m	€m	€m	€m	
Income Tax ^b	13,945	(2,680)	11,265	11,839	(5%)
Value Added Tax	12,744	(2,642)	10,102	10,638	(5%)
Excise	4,721	(54)	4,667	4,734	(1%)
Corporation Tax	4,920	(976)	3,944	3,890	1%
Stamp Duties	985	(23)	962	1,001	(4%)
Custom Duties	230	(1)	229	208	10%
Capital Acquisitions Tax	243	(6)	237	256	(7%)
Capital Gains Tax	383	(38)	345	544	(37%)
Total	38,171	(6,420)	31,751	33,110	(4%)

Source: Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Notes: a Reductions are in brackets.

b PAYE accounts for €9.25 billion of net Income Tax receipts – €7.8 billion tax and €1.45 billion in respect of the Income Levy. The comparative figures for 2009 were €8.5 billion tax and €1.0 billion in respect of the Income Levy.

11.9 Overall, net tax receipts fell by 4% between 2009 and 2010. In the case of Income Tax and VAT which together account for 67% of the net receipts the fall was 5% in both cases.

11.10 Features of Income Tax administration in 2010 included the following

- Income Tax receipts in 2010 include an estimated €1.45 billion in respect of an Income Levy introduced the previous year⁹⁹.
- Included in Income Tax repayments is €308 million in respect of an Age Related Health Insurance Tax credit introduced in 2009¹⁰⁰. The overall impact of the repayment is offset by a related levy on health insurance companies, the proceeds of which are included in Stamp Duties¹⁰¹ (€18 million). The credit and related levy are temporary measures for the three years to 2011 and are intended to be revenue neutral over that period.

⁹⁹ Section 2, Finance Act 2009.

¹⁰⁰ Section 22, Health Insurance (Miscellaneous Provisions) Act 2009.

¹⁰¹ Section 26, Health Insurance (Miscellaneous Provisions) Act 2009.

11.11 Features of VAT administration included

- the standard rate of VAT decreased from 21.5 % to 21% with effect from 1 January 2010
- with effect from 1 January 2010, a Margin Scheme for second-hand goods¹⁰² was extended to include the supply by taxable dealers of second-hand means of transport and second-hand agricultural machinery.

11.12 In the case of Corporation Tax, a three-year exemption from Corporation Tax on profits and capital gains for new companies (with a tax liability of less than €40,000 per year) which applied to new start-up companies in 2009 was extended to new start-up companies in 2010.

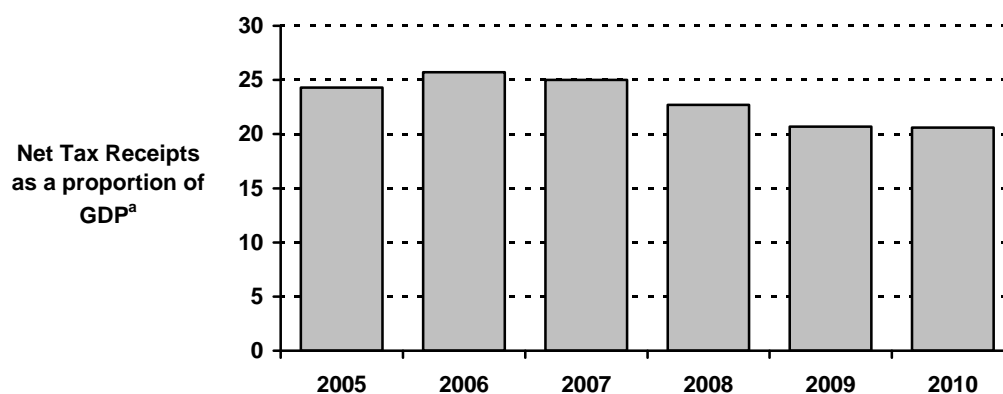
11.13 The main features of Excise Duty administration were the imposition of additional carbon charges in respect of Mineral Oil Tax for petrol and diesel from December 2009, the extension of carbon taxation to other mineral oils from 1 May 2010 and a car scrappage scheme¹⁰³.

Tax and National Output

11.14 Taking Gross Domestic Product (GDP)¹⁰⁴ as a measure of the output of the economy, the State took a smaller proportion of national output in 2010 than in previous years. The relationship between net tax receipts and GDP for the period 2005 to 2010 is set out in Figure 52.

11.15 Net tax receipts as a proportion of GDP has fallen from a high of 26% in 2006, to a level of 21% in 2009 and 2010. In 2008, while GDP decreased by 5%, net tax receipts dropped by 13.6%.

Figure 52 Net Tax Receipts as a Proportion of GDP, 2005-2010



Source: Central Statistics Office Quarterly National Accounts, Quarter 4 2010

Note: a Gross Domestic Product is measured at current prices.

¹⁰² The Margin Scheme was introduced as a means of reducing the likelihood of double taxation in the context of the sale of second-hand goods. It allows dealers in certain second-hand goods, works of art, antiques and collectors' items to pay VAT on the difference between the sale price and the purchase price of goods. If the dealer chooses not to operate the scheme, normal VAT rules apply.

¹⁰³ Introduced in January 2010, this scheme provided for VRT relief of up to €1,500 on registration of a new passenger car with CO₂ emissions of not more than 140g/km when another passenger car, more than 10 years old, is scrapped.

¹⁰⁴ Gross Domestic Product represents the total value added (output) in the production of goods and services in the country.

11.16 I sought the views of the Accounting Officer on the factors that led to the Revenue Commissioners collecting 5% less of domestic output, by way of taxes and duties, in 2009 and 2010, when compared with 2006 yields. The Accounting Officer stated that during the period of economic growth between 2001 and 2007, the composition of GDP in Ireland changed as property and construction related activities grew as a result of the ‘property bubble’. Those activities contributed to the investment component of GDP and grew faster than other components that make up GDP¹⁰⁵.

11.17 Investment, which accounted for 21% of GDP in 2002, grew to 27% of GDP by 2006, and fell back to 11% of GDP in 2010. The Accounting Officer noted that even if GDP had not increased between 2002 and 2010, this compositional change would have altered the Tax/GDP ratio, as the construction and property sectors¹⁰⁶ yield relatively high levels of tax receipts compared to other sectors.

11.18 Tax receipts had increased by 56% between 2002 and 2006 while GDP only increased by 36% and the Tax/GDP ratio went from 22% to 26% over the same period. Since the downturn in 2007, construction and property related activities have decreased at a much more rapid rate than the overall economy as these sectors suffer the worst of the recession. This is illustrated by the decline in Stamp Duty and Capital Gains Tax receipts, from 15% of total receipts in 2006 to 4% in 2010.

Refunds and Repayments

11.19 Entitlement to refunds and repayments is statutorily underpinned¹⁰⁷. Since 2003, repayments are subject to a valid claim being made to Revenue within four years from the end of the period to which the claim relates. This four-year limit replaced previous limits, the longest of which was ten years.

11.20 €6.4 billion of the gross collection was repaid to taxpayers in 2010 (€8.1 billion in 2009). These repayments represented 17% of gross taxes and duties collected (20% in 2009). The repayment under each tax heading over the past five years is set out in Figure 53.

Figure 53 Repayments by Revenue 2006 - 2010

Payments	2006	2007	2008	2009	2010
	€m	€m	€m	€m	€m
Income Tax	3,075	3,206	3,398	3,229	2,680
VAT	4,358	4,729	4,560	3,325	2,642
Corporation Tax	586	936	975	1,445	976
Capital Gains Tax	35	64	70	62	38
Stamp Duties	42	65	49	23	23
Custom Duties	6	7	15	4	1
Capital Acquisitions Tax	12	6	8	12	6
Excise	138	124	103	48	54
Total	8,252	9,137	9,178	8,148	6,420
% of Gross Yield	15%	16%	18%	20%	17%

Source: Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

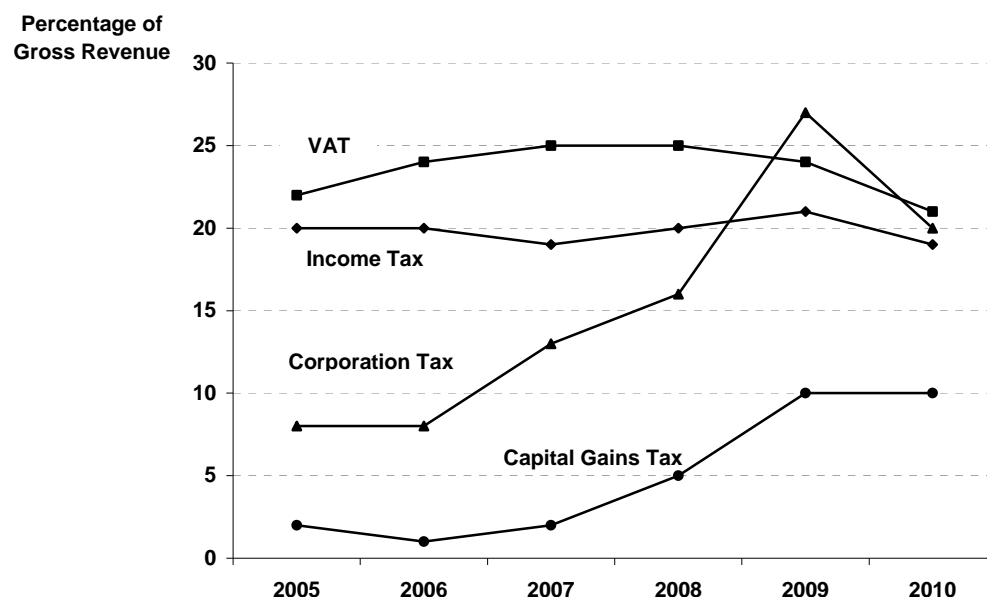
¹⁰⁵ Using the expenditure approach to calculate GDP, the economy is divided into four sectors, consumption (expenditure of the household sector), investment (expenditure of the business sector), government purchases (expenditure of the public sector) and net exports (the difference between exports and imports).

¹⁰⁶ Accounted for in the investment component of GDP.

¹⁰⁷ Section 865, Taxes Consolidation Act 1997.

11.21 Figure 54 displays the relationship of tax repayments to gross receipts over the period 2005 to 2010 in respect of the taxes that accounted for the greatest repayment levels in recent years.

Figure 54 Tax Repayments as a Proportion of Gross Revenue Receipts 2005 – 2010



11.22 Repayments to customers in 2010 in the case of Income Tax, Corporation Tax and VAT represented approximately one-fifth of the gross take under those taxheads. Repayments as a proportion of gross tax yield fell in all three taxes.

11.23 In the case of Corporation Tax, particular factors related to the basis of payment of preliminary tax in the current downturn are at play. These give rise to repayments when company tax computations are finalised. Based on a sample of cases administered by two of the sectoral business units in Revenue's Large Cases Division, the causes of repayments are set out in Figure 55. The result suggests that overpayment of preliminary tax (based mainly on prior year outcomes) gave rise to nearly two-thirds of the amount repaid.

Figure 55 Cause of Corporation Tax Repayments, 2010

Reason for Repayment	%
Overpayment of Preliminary Tax	64
Repayment of Professional Services Withholding Tax	13
Setback of Losses	14
Revision of Corporation Tax Computation	4
Other ^a	5
Gross Yield %	100

Source: Office of the Revenue Commissioners

Note: a Other includes overpayments under €50,000 which were not analysed.

11.24 In relation to VAT repayments, the Accounting Officer noted that the decrease is likely to be related to a number of factors, the more important of which were

- absolute and relative decline of the construction industry
- the VAT reverse charge on construction services introduced in 2008, which had the effect of increasing the number of VAT repayment claims but reducing their value

- the level of stock being carried by traders in recession is likely to be down and this could have an impact on input credits, which could in turn reduce VAT repayments.

Methods of Payment

11.25 In the year 2010, a variety of payment methods were used by taxpayers to pay taxes and duties to the Collector General. The means of payment and the trend towards electronic payment methods is depicted in Figure 56.

Figure 56 Payment Methods Collector General's Office 2007-2010

Payment Mechanism	Proportion of Gross Receipts ^a		
	2008	2009	2010
Revenue On Line Service	44.9%	60.7%	70.2%
Cheques	32.3%	21.3%	14.6%
Direct Debits/Giro and SDA ^b	22.3%	17.5%	14.8%
Sheriff	0.4%	0.4%	0.3%
Solicitor	0.1%	0.1%	0.1%
Total	100%	100%	100%

Source: Office of the Revenue Commissioners

- Notes:
- a This analysis accounts for approximately €39.4 billion of tax receipts collected by the Collector General's Office, and excludes taxes and duties paid to Divisions other than the Collector General's Office.
 - b The single debit authority (SDA) is a facility whereby the taxpayer provides details of his/her bank account on the payslip portion of the relevant tax form. This is valid for a single debit and only for the amount specified.

11.26 This shows that taxpayers are increasingly using online mechanisms to pay taxes and duties. In 2010, over two thirds of receipts, in value terms, were processed through the Revenue On-Line Service (ROS). There was a corresponding decrease in the amounts paid by way of cheques and direct debits or giros.

11.27 The data set out in Figure 56 shows the payment mechanisms used by taxpayers where payments are made with the Collector General's Office (comprising 83% of gross receipts). The remaining receipts primarily relate to Excise Duties, Customs Duties, Capital Acquisitions Tax, Stamp Duties and also include payments relating to certain taxes made through local offices.

11.28 I sought the Accounting Officer's assessment of the relative timeliness and security of the payment process through ROS and the effectiveness and availability of the system. The Accounting Officer stated that

- ROS allows for the payment and return of all major and minor taxes¹⁰⁸, over a two/three day cycle.
- Payment information is exchanged with the banks using encryption technologies.
- Revenue has invested heavily in the security of the payment process. It is subject to ongoing review and upgrades and communication with Revenue using ROS is fully secure and confidential.
- In the context of a self-assessment system, all customers are subject to the same obligations for any vouching documentation.

¹⁰⁸ The Accounting Officer noted that taxpayer or agent responsibility for record maintenance remained unchanged.

Conclusion

Revenue continued to drop in 2010 but at a lesser rate. Net taxes and duties of €31.8 billion were collected in the year. The two principal taxes, Income Tax and VAT, which account for two thirds of the collection both fell by 5%.

Revenue as a proportion of national output (as measured by GDP) now stands at 21% by comparison with a 26% level in 2006. The reduction has been attributed to the decrease in construction and property related activities. Because these activities yield relatively higher levels of tax than those in other sectors a reduction in output impacts disproportionately on tax yields. Chapter 12 looks at sectoral performance in more detail.

The level of repayments, which peaked at 20% of the gross yield in 2009 has fallen back to pre-2009 levels, standing at 17% for 2010.

Revenue has made considerable strides in moving to electronic payment methods for the bulk of the collection.

Annex A Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Statement by Accounting Officer on Internal Financial Controls

Responsibility for System of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems.

Internal Audit

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Josephine Feehily

Accounting Officer

Office of the Revenue Commissioners

31 March 2011

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Report of the Comptroller and Auditor General

I have examined the financial statements relating to the receipt and disposal of Revenue of the State during the year 2010 collected by the Revenue Commissioners set out on pages 152 to 158 under Section 3(7) of the Comptroller and Auditor General (Amendment) Act 1993.

The financial statements, which have been prepared under the accounting policies therein, comprise the Accounting Policies, the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the related notes.

Respective Responsibilities of the Revenue Commissioners and the Comptroller and Auditor General

The Revenue Commissioners are responsible for preparing the financial statements and for ensuring the regularity of transactions.

My responsibility is to examine the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements are properly presented in accordance with the Accounting Policies. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my examination.

Basis of Opinion

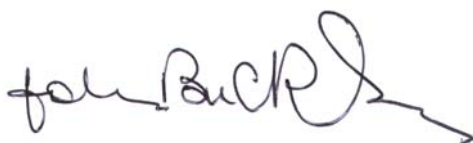
In the exercise of my function as Comptroller and Auditor General, I conducted my examination of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Audit Practices Board and by reference to the special considerations that attached to State bodies in relation to their management and operation. My examination was conducted on a test basis that reviewed evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also included an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies were appropriate, consistently applied and adequately disclosed.

I planned my examination so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements properly present the receipt and disposal of the revenue collected for the year ended 31 December 2010 and the residual balances at that date.

In my opinion, proper books of account have been kept by the Revenue Commissioners. The financial statements are in agreement with them.

A handwritten signature in black ink, appearing to read 'John Buckley', with a long, sweeping horizontal stroke extending to the right.

John Buckley

Comptroller and Auditor General

7 September 2011

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Accounting Policies

1. This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners, and the transfer of the proceeds to the Exchequer. The Account has been prepared pursuant to Section 3(9) of the Comptroller and Auditor General (Amendment) Act 1993.
2. Except for the costs of outsourced services for the collection of Vehicle Registration Tax, no charge is included in this Account for the administration or operational costs of the Office of the Revenue Commissioners. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.
3. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
4. The Account also presents the receipts collected by the Revenue Commissioners for other government departments and agencies as follows:
 - Department of Social Protection (PRSI Contributions).
 - Health Service Executive (Health Levy and Tobacco Levy).
 - Department of Environment, Community and Local Government (Environmental Levy on Plastic Bags).
 - Department of Enterprise, Trade and Innovation (Employment and Training Levy).
 - Commissioners of Irish Lights (Light Dues).
 - Department of Transport (Marine Fees).
 - Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Fee Stamps in respect of Companies Registration Fees (paid to the Department of Finance as Miscellaneous Revenue).
5. A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags and Light Dues. Amounts received in respect of those charges are not included in this Account but are accounted for as Appropriations-in-Aid of Vote 9.
6. The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. Except where described at paragraph 7, the Account shows the actual amounts received and paid in the year. Where further amounts of taxes, duties, etc. are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.
7. Certain customs and excise duties and VAT on imports are accounted for on an accruals basis in that they are recorded as receipts in the year to which they relate even though they are not received until after the year-end. The corresponding asset is included in accrued income in the Statement of Balances.
8. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Account of the Receipt and Disposal of Revenue collected

	Notes	2010 €000	2009 €000
Gross Receipts			
Taxes and Duties collected	1	38,338,924	41,425,690
Receipts collected on behalf of Other Departments/Agencies	2	9,220,222	9,318,329
Total Gross Receipts of Revenue Collected		47,559,146	50,744,019
Repayments			
Repayment of Taxes and Duties	3	(6,420,498)	(8,148,354)
Repayment of Receipts collected on behalf of Other Departments/Agencies	6	(86,190)	(82,027)
Total Repayments		(6,506,688)	(8,230,381)
Net Receipts			
Taxes and Duties collected	4	31,918,426	33,277,336
Receipts collected on behalf of Other Departments/Agencies	6	9,134,032	9,236,302
Total Net Receipts of Revenue Collected		41,052,458	42,513,638
Disposal of Net Receipts			
Taxes and Duties Transferred to the Exchequer	5	(31,752,074)	(33,041,960)
Transfer of Tobacco Levy to Health Service Executive	5	(167,605)	(167,605)
Transfer of Receipts to Other Departments/Agencies	6	(9,141,581)	(9,236,044)
Total Disposal of Receipts of Revenue Collected		(41,061,260)	(42,445,609)
Net Receipts retained at Year End		(8,802)	68,029
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(120,258)	(188,287)
Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December		(129,060)	(120,258)

Any apparent discrepancies in totals are due to rounding of constituent figures

William Funnell

31 March 2011

Accountant General

Office of the Revenue Commissioners

Josephine Feehily

31 March 2011

Accounting Officer

Office of the Revenue Commissioners

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Statement of Balances

	Notes	2010	2009
		€000	€000
Assets			
Cash at Bank and in Hand	7	56,255	161,182
Accrued Income	8	16	15,230
Advances for Revenue Purposes	9	56	63
Amounts due from Government Departments	10	609	898
Total Assets		56,936	177,373
Liabilities			
Amounts Awaiting Receipting and Allocation	11	(42,132)	(159,897)
Deposits Held	12	(143,864)	(137,734)
Total Liabilities		(185,996)	(297,631)
Net Liabilities		(129,060)	(120,258)

Represented by:

Closing Balance on the Account of Receipt and Disposal of Revenue

Balance of Taxes and Duties owing from the Exchequer	5	(132,899)	(131,646)
Balance of Receipts collected and due to other Departments/Agencies	6	3,839	11,388
		(129,060)	(120,258)

Any apparent discrepancies in totals are due to rounding of constituent figures

The Accounting Policies and Notes 1 to 12 form part of this Account

William Funnell

31 March 2011

Accountant General

Office of the Revenue Commissioners

Josephine Feehily

31 March 2011

Accounting Officer

Office of the Revenue Commissioners

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Notes to the Account

Note 1. Gross Taxes and Duties collected	2010	2009
	€000	€000
Income Tax	13,945,794	15,068,374
Value Added Tax	12,743,817	13,962,910
Corporation Tax	4,919,889	5,335,053
Excise Duty	4,888,819 ^a	4,949,536
Stamp Duties	984,791	1,023,426
Capital Gains Tax	383,240	606,420
Capital Acquisitions Tax	242,675	267,996
Customs Duty	229,899	211,975
	38,338,924	41,425,690

a This is stated net of a deduction of €322,432 relating to the net collection costs of outsourced services for Vehicle Registration Tax for the period September to December 2010.

Note 2. Gross Receipts collected on behalf of Other Departments/Agencies

	2010	2009
	€000	€000
Department of Social Protection	9,008,403	9,168,364
Health Service Executive	187,793	121,011
Department of Environment, Community and Local Government	19,218	24,165
Commissioner of Irish Lights	4,284	3,426
Department of Enterprise, Trade and Innovation	523	1,280
Department of Finance (Miscellaneous Revenue)	1	82
Department of Transport (Marine Fees)	-	1
	9,220,222	9,318,329

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Notes to the Account

Note 3. Repayment of Taxes and Duties

	2010	2009
	€000	€000
Income Tax	(2,680,217) ^b	(3,229,019)
Value Added Tax	(2,641,300)	(3,325,047)
Corporation Tax	(976,302)	(1,445,602)
Excise Duty	(54,211)	(48,192)
Stamp Duties	(23,206)	(22,558)
Capital Gains Tax	(38,118)	(61,754)
Capital Acquisitions Tax	(6,170)	(12,378)
Customs Duty	(974)	(3,804)
	(6,420,498)	(8,148,354)

b Includes an amount of €10,784,022 relating to Tax Relief at Source repayments awaiting final disbursement in early January 2011. The corresponding bank balance has not been included in the Statement of Balances.

Note 4. Net Receipts of Taxes and Duties

	Gross Receipts	Repayments	Net Receipts	Net Receipts
	2010	2010	2010	2009
	€000	€000	€000	€000
Income Tax	13,945,794	(2,680,217)	11,265,577	11,839,355
Value Added Tax	12,743,817	(2,641,300)	10,102,517	10,637,863
Corporation Tax	4,919,889	(976,302)	3,943,587	3,889,451
Excise Duty	4,888,819	(54,211)	4,834,608	4,901,343
Stamp Duties	984,791	(23,206)	961,585	1,000,869
Capital Gains Tax	383,240	(38,118)	345,122	544,666
Capital Acquisitions Tax	242,675	(6,170)	236,505	255,618
Customs Duty	229,899	(974)	228,925	208,171
	38,338,924	(6,420,498)	31,918,426	33,277,336

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Note 5. Taxes and Duties Transferred to the Exchequer

	Balance at 1 January 2010	Net Receipts	Total Transfers	Balance at 31 December 2010
	€000	€000	€000	€000
Income Tax	(2,537)	11,265,577	(11,276,092)	(13,052)
Value Added Tax	745	10,102,517	(10,101,284)	1,978
Corporation Tax	(3,966)	3,943,587	(3,923,637) ^c	15,984
Excise Duty	(138,039)	4,834,608	(4,845,574)	(149,005)
Stamp Duties	7,187	961,585	(960,091)	8,681
Capital Gains Tax	2,173	345,122	(346,711)	584
Capital Acquisitions Tax	1,836	236,505	(237,769)	572
Customs Duty	955	228,925	(228,521)	1,359
	(131,646)	31,918,426	(31,919,679)	(132,899)

c The amount of €4,845,574,000 includes €167,605,000 which was paid from the proceeds of Tobacco Excise Receipts to the Health Service Executive under Section 3 of the Appropriation Act 1999, as amended by the Appropriation Act 2005.

Note 6. Transfer of Receipts to Other Departments/Agencies

	Balance at 1 January 2010	Net Receipts	Total Transfers	Balance at 31 December 2010
	€000	€000	€000	€000
Department of Social Protection	7,515	8,922,219 ^d	(8,927,814)	1,920
Health Service Executive	2,471	187,793	(188,657)	1,607
Department of Environment, Community and Local Government	1,220	19,212 ^e	(20,270)	162
Commissioner of Irish Lights	77	4,284	(4,275)	86
Department of Enterprise, Trade and Innovation	84	523	(544)	63
Department of Finance (Miscellaneous Revenue)	20	1 ^f	(20)	1
Department of Transport (Marine Fees)	1	-	(1)	-
	11,388	9,134,032	(9,141,581)	3,839

d The amount shown of €8,922,218,341 is net of repayments of €36,184,406

e The amount shown of €19,212,325 is net of repayments of €5,668

f The amount shown of €1,070 is net of repayments of €220

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Notes to the Account

Note 7. Cash at Bank and in Hand

	2010	2009
	€000	€000
Balance in Revenue Accounts at Central Bank	17,177	20,837
Cash in Hand	39,078	140,345
	56,255	161,182

Cash at Bank and in Hand represents amounts held in Revenue bank accounts pending completion of processing through Revenue's accounting systems.

Note 8. Accrued Income

Accrued Income represents amounts due to Revenue which are proper to 2010 for which payment was received after the year end.

Note 9. Advances for Revenue Purposes

Advances for Revenue purposes arise due to the operation of a local accounting procedure in Districts for Customs and Excise Duties whereby a shortfall in the collection of monies arising from items such as an unpaid cheque is temporarily met through the mechanism of an 'advance' drawn on a Revenue account. These 'advances' are subsequently cleared when payment is received from the trader.

Note 10. Amounts due from Government Departments

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

Note 11. Amounts Awaiting Receipting and Allocation

	2010	2009
	€000	€000
Unallocated Tax Deposits	(17,177) ^g	(20,837)
Tax receipts awaiting transfer and allocation	(41,368)	(141,368)
Miscellaneous	16,413 ^h	2,308
	(42,132)	(159,897)

g Unallocated Tax Deposits (UTD) comprise mainly of payments made on account during tax audits and audit settlements for which accounting instructions have not been completed. Consequently, the payments cannot be allocated to the appropriate taxheads and are held by Revenue in a UTD account in the Central Bank.

h Includes an amount of €16,477,018 which represents the net impact of residual balances following the cessation of the former Stamping system. Detailed analysis is ongoing to confirm the position and adjustments will be incorporated into future accounts.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2010

Notes to the Account

Note 12. Deposits Held

	2010	2009
	€000	€000
Stamps	-	(1,311)
C&E Collectors	(5,611)	(7,845)
Automated Entry Processing system (AEP) Deposits	(138,253)	(128,578)
	(143,864)	(137,734)

Deposits held represent amounts paid by taxpayers for transactions not yet processed through Revenue's accounting systems.

i Stamps Deposits no longer arise since the introduction of an electronic Stamping system at end 2009.